
Retailers, Trust and GMOs

JEANNE COLLELUORI

Wegmans Food Markets

Rochester, New York

jeanne.colleluori@wegmans.com

We have spent the last day or so talking basically about the scientific side of GMOs. As a food retailer, Wegmans has to face the emotional side of this issue because it's our job to understand our customers' perceptions because their perceptions are their reality, whether they are based on fact or not. Furthermore, customers worry about different things for different reasons.

Before we talk about customers and GMOs, we are going to talk about bird beaks. When my son was little, we developed a secret code in case someone else had to pick him up from school. I would tell that person, "When you see him, say 'bird beaks.'" When he heard "bird beaks," he knew that anything else that person said was okay with Mom. Also, if I was away and I needed to call the house and get a message to him and I had to have someone else make that call, that person would say "bird beaks" and he knew that anything else that person said was okay with me.

"Bird beaks": two simple words with amazing power. Two simple words that garnered complete trust from the recipient.

This group is accustomed to setting scientific angles to consumer stories. Recently I had an interesting conversation with someone who said, "I don't understand why consumers don't trust us, because the science is all there." On the other hand, as retailers, we have to listen to consumers and try to understand their concerns and their perceptions in order to gain their trust.

TRUST AND TRANSPARENCY

Transparency without trust is useless, and trust doesn't happen overnight. You can't demand it. You have to earn it and you have to build it—block after block after block, day after day, week after week—and never stop. Trust and transparency are intricately intertwined. You can't wake up tomorrow and say, "Today's the day we're going to be transparent," because, if we haven't give consumers "bird beaks," chances are they are not going to believe us.

Wegmans is a chain of 84 grocery stores, based in Rochester, New York, and situated in six states. We have 44,000 employees and we work hard to ensure that our customers trust our transparency. Sometimes that entails discussing ugly topics. Sometimes it means admitting that we made mistakes, and sometimes it means saying that we are sincerely sorry. Those are all difficult conversations, but, because we are willing to have them, they make our company more human to our customers. This year, it's estimated that our consumer-affairs department in Rochester will handle approximately 100,000 customer comments, and we reply to all of them. They come in through emails and phone calls and tweets and blog responses and Facebook postings and letters, and sometimes it's someone who—believe it or not—just walks in the front door of our corporate office and says "I want to complain about something," and we go out and we talk to her/him. Some of the questions are easy, for example:

- At what time does your pharmacy open?
- Do you carry Grandma Brown's Baked Beans?
- Can I cash a payroll check at your store?

We can answer these quickly and the customer is on her/his way. But, sometimes, they have concerns that require a lot more of our attention and a lot more of our time.

Figure 1 provides a sampling of the 100,000 comments that come in each year. Some are based on moral issues such as animal welfare. Customers may say, "That's just wrong and I don't want anything to do with it." Other questions or concerns relate to safety issues, and I use product recalls as the example. What we hear from some customers is, "Oh my gosh, how do I know if my family is safe? Did I buy something that is really going to hurt my family?" Some other comments combine moral and safety concerns, and I'm using GMOs as that example. What we hear from those customers is the combination of "That's just wrong; I don't want anything to do with it" and "How do I know if my family is safe." Some customers simply seek reassurance, whereas others are more invested and want more information. We have found that the best way to deal with that is to offer answers to frequently asked questions (FAQs). We provide these answers to our store employees and to our call-center employees, and, for many customers, that suffices. But then, some customers are much more vested and want detail; they want to dig down into the "dirt." In such cases, we rely on third-party experts: "If you don't believe us, here's a couple of other organizations that may help you to better understand the situation." These customers are thirsty and what we try to do is give them a glass of water and let them decide how much they want to drink.

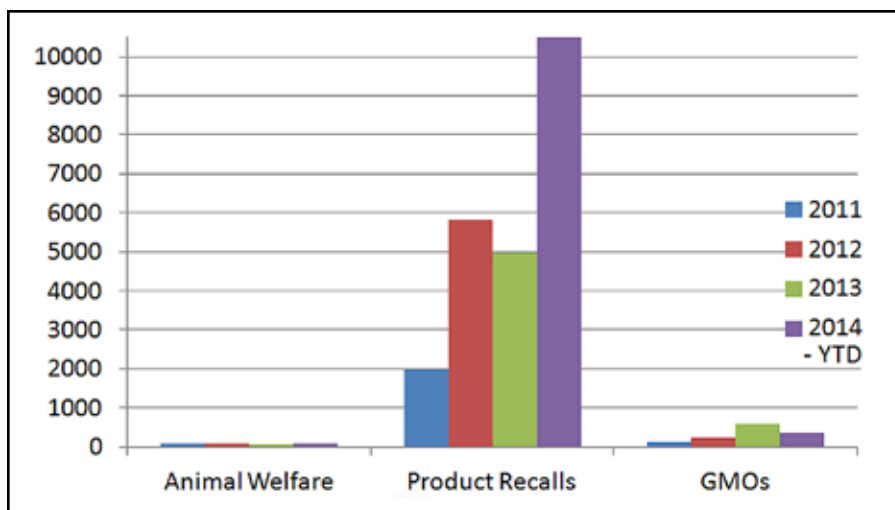


Figure 1. Incoming customer concerns.

In 2012, there was an intensely hot topic that the media affectionately termed “pink slime,” and all who worked in the food industry were amazed, if not terrified, at how quickly the public demanded transparency. As the meat-retailing industry scrambled for answers, it was uncomfortable for our employees to say—and for our customers to hear—“We just don’t know. We don’t have answers yet for you.” We weathered the storm, but we came out the other side questioning how to prevent being put in the same position again, to prevent our employees being faced with customers demanding information immediately.

Emerging Issues Taskforce

It is impossible to predict what the next surprise “pink slime” will be, but we formed what we call our Emerging Issues Taskforce, gathering, from around our company, experts in:

- Meat and seafood,
- Animal welfare,
- Organic foods and nutrition,
- Sustainability and procurement, and
- Communications.

The taskforce meets quarterly or more often if we have to, and at each meeting each of the experts brings a list of ideas that they think might be the next hot topic. We put these ideas out on the table, we swirl them around, we play with them, we talk about them and eventually a few of them bubble up to the top. We break into sub-groups to focus on particular topics:

If this happens, what are customers, going to ask? If they ask that, how will we answer? If we can't answer, which third parties can help us out?

We start creating the FAQ documents and contact third-party experts to seek expressions of willingness to speak on particular topics, and we document who they are and how we can reach them. We file that information away knowing that we will have to tweak it based on the details of the story that hits the media. But our preparatory work means that we may be better prepared to deal with the next food apocalypse.

Every Communication a “Bird Beak”

Every communication that comes from our company can be a “bird beak.” It can build trust or not, including labels, brochures, press releases, tweets, Facebook postings, blogs, emails, phone calls and even personal conversations between our employees and our customers. Accordingly, we need to plan them, write them and deliver them carefully. Figure 2 provides an example from a few years ago. A man named Roger contacted Debbie at our call center with specific questions about GMOs. She did her research and got back to him and then he got back to her. The most important part of his comment was “Thanks for the honesty, it is becoming rarer and rarer.” That comment makes me a little sad because it shows that he didn’t expect us to be honest. He expected us to try to fool him. But we were honest and he recognized it and he appreciated it enough to get back to us. He then had a little more trust in Wegmans.

*Dear Deb, Thank you very much for your reply.
Please keep up the good work at Wegmans and if you
do start using GMO's please let your customers know.
Thanks for the honesty, it is becoming rarer & rarer.
:) Roger*

Figure 2. Every single communication can be a “bird beak.”

Furthermore, every single employee, 44,000 of them, can be a “bird beak,” and that’s a little scary. We have to hire them, train them and support them so that they feel good about our company, not just when they are sitting in the office talking to a customer, but when they are sitting in their neighbors’ backyards at picnics and someone says, “Hey, how’s everything going at Wegmans?” Whatever they say about our company either builds trust in us or it doesn’t. So we have to be cautious about whom we hire, how we train them, and how we support them.

A couple of years ago when Hurricane Sandy came roaring up the east coast, although our store in Ocean Township, New Jersey, was particular hard hit, we stayed open. A couple of weeks afterward, a customer got in touch (Figure 3).

You are an amazing company for having generators to power your stores during the aftermath of the Hurricane. Wegmans of Ocean was the only store open for the first few days with no electricity. All of the employees, though under a lot of stress with the amount of customers coming in, were so kind and helpful. Everything was so organized. Without you guys we wouldn't have weathered this storm as well as we did. THANK YOU SO MUCH from the bottom of my heart. I have been shopping at Wegmans every week for the past 3 years and I will NEVER shop at another store again. You rock!

Figure 3. Every single communication can be a “bird beak”—2.

I think that the writer was saying that our company rocked, but, to me, our employees at the Ocean store, excelled. Those employees also had lost their homes. They also had no power. They didn't know where their next meals were coming from. They were living in the same circumstances as their customers, but they showed up at work every day, put on a smile, delivered service and built trust in our company. They were our “bird beaks.”

As a retailer we have to identify our “bird beaks.” We have to know what our employees need to build trust so that they, in turn, are loyal to the company. And we have to build that trust every single day. We have to tell our story whether it is good or whether it is bad. We have to admit when we are wrong. We have to admit when we don't know the answer. We have to promise to find answers and then we have to find those answers. “Bird beaks.”

THE GMO DEBATE

Turning to the GMO debate—customers on all sides of the table are passionate on this subject. They have strong feelings, as illustrated in Figure 4. No matter what one person says, an opposing point of view exists.

Pro-side	Con-side
GMOs can feed the world	GMOs are about profit
GMOs are better for the environment	We don't understand the GMO impact
GMOs enhance farmers' profitability	Corporate vs Family Farms
GMOs are safe to eat	Safety studies are biased

Figure 4. Customer debate on GMOs.

Because there is no standard for how GM foods should be labeled or identified, retailers are justifiably trying to satisfy their own customers. Whole Foods says that, by 2018, everything in their stores will be labeled as to GMO content and Trader Joe's says that they won't allow GMO ingredients in foods bearing their private labels. These retailers are satisfying their own customers, but the consumer who goes from store to store to get the best deals is likely to be confused.

Then you have the state debate. Right now, Connecticut and Maine are close to mandating labeling, but there is some important trigger language, especially in Connecticut: they need four nearby states with a combined population of 20 million to similarly instigate GMO-labeling laws. Vermont doesn't have any trigger language, but they are being challenged by the Grocery Manufacturers Association. And then there are local debates; one of the Hawaiian Islands has pending legislation in two counties. Oregon has some legislation in place.

Quandary

How in the world are we supposed to label products when each state may have a different rule? As a retailer, we don't have warehouse space to store chocolate cookies to be sent to Maryland in a different location from those to be sent to Virginia or Pennsylvania. Furthermore, we don't want to have to print different labels for different states. Another problem lies in labeling a multi-ingredient product like chocolate cookies in terms of GM content. Figure 5 shows such a label; any one of the ingredients marked with an asterisk could potentially come from a GMO. We would have to figure out how to get that label with extra information into that space and we would have to provide a paper trail. Also, our suppliers would have to provide paper trails. And their ingredient suppliers would have to provide them, all the way back, to determine whether each of these ingredients comes from a GMO seed or not. Difficult stuff.

Customer Input

What do we hear from our customers? In early 2014 we were receiving about 40 comments per month concerning GM foods, which, within the grand scheme of things of 100,000 comments a year, is not very many. On the other hand, of the comments we receive about food, most concern GMOs. Figure 6 shows the types of questions being asked. Our Emerging Issues Task Force has decided that this is will be a focus topic. We have created an FAQ list, defined our position, and brought in experts from the opinion spectrum including the Center for Science in the Public Interest, the Non-GMO Verified Group and the Environmental Working Group for consultations. From these discussions, we developed a position statement (Figure 7).

For those wanting to avoid GMOs, we point to the growing section of certified organic products. We believe that it is now time for the FDA—through an act of Congress, if necessary—to mandate pre-market approval for all foods produced by GMO technology. And we believe that a national standard should be created for labeling non-GMO foods. The important thing right now is to remember that, as a retailer, at Wegmans we believe we are not a selling agent for manufacturers—we are not in the business of selling their foods. We are in the business of buying the foods that our customers want. This is on our website and people can click through to an FAQ and see the third-parties.

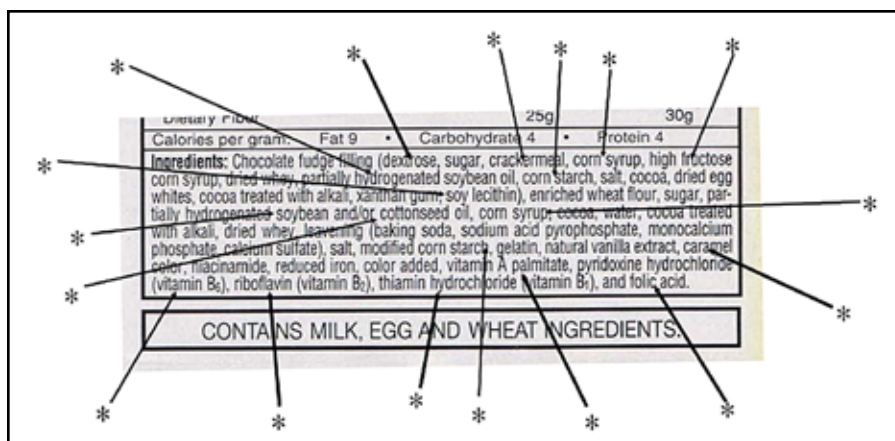


Figure 5. Could be from a GMO...

- In early 2014, receiving 40 comments/month
 - Does this product contain...
 - Can certified organic have GMOs?
 - What is Wegmans policy?
 - Why can't you label GMOs?

Figure 6. Customer input.

- Our job is to bring you a wide array of safe, delicious, healthy foods at consistent low prices. **For those wanting to avoid GMOs we point to a growing selection of certified organic products.**
- Here's what reassures us about the safety of GMO foods and ingredients currently available.
- All GMO seed companies have consulted with FDA on each potential product. According to FDA, the seed companies have satisfactorily completed every additional test that FDA has asked for, even though this consultation is not required by law.
- The testing protocols FDA uses are well established by a global collection of scientists from 168 nations.
- **We believe that it is now time for the FDA, through an act of Congress if needed, to mandate (officially formalize) pre-market approval for all foods produced by GMO technology.** This would assure us that all *future* GMO products will meet these well-recognized food safety standards no matter what country or company develops them. Furthermore, **we believe that a national standard should be created for labeling non-GMO items.** In that way consumers wanting to avoid GMOs can have confidence that consistent, non-misleading definitions are being followed no matter who distributes the product.

Figure 7. Position statement on GMOs (www.wegmans.com).

In addition, our senior VP of consumer affairs, Mary Ellen Burris, wrote a blog about this and our CEO, Danny Wegman, published a letter about GMOs in our *Menu* magazine, which comes out four times a year. Beyond those two communications, we also went on the road to train our employees—our store employees and our call-center employees. We even brought our top executives into the room and gave them the road show so that they could understand what GMOs are and how we are addressing the issue with our customers.

After Mary Ellen's blog went out, we received over 1,000 comments, 60% of which were negative including "I'm disappointed," "Whole Foods thanks you," and "Mary Ellen Burris should be fired." As we watched these 1,000 comments come in, very rarely did we have to join the conversation. We were able to watch the conversation amongst our customers; for a lot of the negative comments that came in, some positive comments came in as well, including "Did you really read the information they have there? A lot of the things you are worried about are addressed on the website." We learned that many customers don't trust the FDA or the biotech companies. They believe GMOs are harmful to their health and they want labeling for the presence of GMOs. That's where we differ, because we feel that, if there is going to be labeling, it should be for the *absence* of GMOs. No label states "This product is high in salt," whereas it may state "This product is low in sodium." We don't say "This is a high-fat potato chip," whereas we may say "This is a low-fat potato chip." Therefore, why would we say "This contains GMOs"? Why don't we just say, "This doesn't have GMOs"? It would be in keeping with the labeling that our consumers are accustomed to.

As said, in early 2014 we were receiving approximately 40 calls a month on GMOs. Since then we have put our information on our website. We have blogged about it and put it in a letter. We trained our employees so they can talk to our customers about it. Only 15 calls came in during the month of September, 2014. So the interest has dramatically dropped. We do feel this is probably temporary because, as elections come closer, it's probably going to be a topic of debate, a topic in the media. So, it will probably pick up again. But that's okay. We can talk about it. We can answer questions and do further research if we have to. In the meantime, we put the information on our website, Mary Ellen has blogged about it, Danny has written about it, and we have trained our employees so they can talk about it. These are our "bird beaks."